

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 314 – SB 559

March 5, 2013

SUMMARY OF ORIGINAL BILL: Prohibits the use of unmanned traffic enforcement cameras on Highway 11E in Bluff City.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease Local Revenue - \$261,400/Bluff City

SUMMARY OF AMENDMENT (004135): Adds language to the effective date requiring the bill to apply to all contracts entered into or renewed on or after the effective date of the act.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Decrease Local Revenue - \$130,700/Bluff City/FY14-15
\$261,400/Bluff City/FY15-16 and Subsequent Years

Assumptions for the bill as amended:

- According to information provided by Bluff City, there are two traffic enforcement cameras on Highway 11E; each has been in operation since January 2010.
- According to Bluff City, there is a five-year contract for the operation of these cameras.
- Prohibiting traffic enforcement cameras at this location would not take effect until the current contract expired in January 2015.
- According to Bluff City, actual revenue collected from camera citations issued over a seven-month period (from July 1, 2012, through January 31, 2013) totaled \$152,500.
- Prohibition from using such unmanned traffic enforcement cameras will result in a recurring decrease in local government revenue estimated to be \$261,429 $[(\$152,500 / 7\text{-month period}) \times 12\text{-month year}]$ beginning in FY15-16.
- The first year impact (FY14-15) is estimated to be 50 percent of the first full year impact (FY15-16) because these cameras will become prohibited January 2015; therefore, a decrease in local revenue of \$130,715 $(\$261,429 \times 50\%)$ for FY14-15.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/jrh